1.	Introduction	5
2.	Political and Administrative Framework for Devolution	6
	2.1 Implication of the Devolution Framework on the Distribution of	
	Functions and Fiscal Responsibilities	8
	2.2 Public Finance Management Framework	10
	2.3 Implication on Macroeconomic Management	13
	2.4 Assignment of Revenue	14
	2.5 Location of County Headquarters	14
3.	Devolution and Inequalities	16
4.	The challenge of Infrastructure and Capacity Gaps	23
5.	Intergovernmental Fiscal Relations	25
	5.1 Sub-national Borrowing and Macroeconomic Stability	25
	5.2 Management of Intergovernmental Fiscal Transfers	27
6.	Risk to Successful Decentralisation	29
7.	Conclusion	32
8.	References	34